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#### Immigration reform will pass and it political capital is key

Latin American Herald Tribune 7/16 “Obama Ready to Spend Political Capital on Immigration”,

http://www.laht.com/article.asp?ArticleId=329931&CategoryId=12395

WASHINGTON – President Barack Obama told Hispanic Democratic legislators on Wednesday that he will invest his political capital in an immigration reform package whose principles will be revealed during a forum in the next two months.¶ That is what members of the Congressional Hispanic Caucus reported after their first meeting with Obama on the subject of immigration.¶ In remarks to reporters, the lawmakers expressed confidence that, with the president’s support, this year the dialogue on comprehensive immigration reform will be resumed, opening a path to legalization for the country’s estimated 12 million undocumented immigrants.¶ The chairwoman of the Hispanic Caucus, New York Democratic Rep. Nydia Velazquez said that the president assured the group “he is a man of his word” and would fulfill his campaign promises to push for immigration reform.¶ Meanwhile, Sen. Bob Menendez (D-N.J.) said that during the meeting Obama assured lawmakers that he will invest part of his political capital in moving forward on immigration reform that includes strong measures for border security and a path to legalization for undocumented immigrants.¶ Menendez said that the lawmakers will work with Obama on the “principles” of that reform package, which will be presented at a public forum in the next two months with the aim of starting the dialogue about how to fix the country’s problematic immigration system.¶ “He understands that this is a matter of civil rights,” the senator said of Obama.¶ Gaining approval of a reform plan, Menendez acknowledged, will be “a struggle,” taking into account the opposition of many Republicans and other conservative groups.

**Plan specifically derails immigration reform**

**Shear, 13**

(Michael, NYT White house correspondent, 5/5, <http://www.nytimes.com/2013/05/05/world/americas/in-latin-america-us-shifts-focus-from-drug-war-to-economy.html?pagewanted=all>)

Last week, Mr. Obama returned to capitals **in Latin America** with a vastly different message. **Relationships with countries racked by drug violence and organized crime should focus more on economic development** and less on the endless battles against drug traffickers and organized crime capos that have left few clear victors. The countries, Mexico in particular, need to set their own course on security, with the United States playing more of a backing role. **That approach runs the risk of being seen as kowtowing to governments more concerned about their public image than the underlying problems tarnishing it. Mexico,** which **is eager to play up its economic growth, has mounted an aggressive effort to play down its crime problems**, going as far as to encourage the news media to avoid certain slang words in reports. “The problem will not just go away,” said Michael Shifter, president of the Inter-American Dialogue. “**It needs** to be tackled head-on, with a comprehensive **strategy** that includes but goes **beyond stimulating economic growth** and alleviating poverty. **“Obama becomes vulnerable to the charge of downplaying the region’s overriding issue**, **and the chief obstacle to economic progress**,” he added. “It is fine to change the narrative from security to economics as long as the reality on the ground reflects and fits with the new story line.” Administration officials insist that Mr. Obama remains cleareyed about the security challenges, but the new emphasis corresponds with a change in focus by the Mexican government. The new Mexican president, Enrique Peña Nieto, took office in December vowing to reduce the violence that exploded under the militarized approach to the drug war adopted by his predecessor, Felipe Calderón. That effort left about 60,000 Mexicans dead and appears not to have significantly damaged the drug-trafficking industry. In addition to a focus on reducing violence, which **some critics have interpreted as taking a softer line on the drug gangs**, Mr. Peña Nieto has also moved to reduce American involvement in law enforcement south of the border. With friction and mistrust between American and Mexican law enforcement agencies growing, Mr. Obama suggested that **the U**nited **S**tates **would no longer seek to dominate the security agenda**. “It is obviously up to the Mexican people to determine their security structures and how it engages with other nations, including the United States,” he said, standing next to Mr. Peña Nieto on Thursday in Mexico City. “But the main point I made to the president is that we support the Mexican government’s focus on reducing violence, and we look forward to continuing our good cooperation in any way that the Mexican government deems appropriate.” In some ways, conceding leadership of the drug fight to Mexico hews to a guiding principle of Mr. Obama’s foreign policy, in which American supremacy is played down, at least publicly, in favor of a multilateral approach. But **that philosophy could collide with the concerns of lawmakers in Washington, who** have **expressed frustration with what they see as** a **lack of clarity in Mexico’s security plans**. And **security analysts say the entrenched corruption in Mexican law enforcement has long clouded the partnership** with their American counterparts. **Putting Mexico in the driver’s seat** on security **marks a shift in a balance of power** that has always tipped to the United States **and,** analysts said, **will carry political risk as Congress negotiates an immigration bill that is expected to include provisions for tighter border security.** “If there is a **perception in the U.S. Congress that security cooperation is weakening**, that **could play into the hands of those who oppose immigration reform,” said** Vanda Felbab-**Brown, a counternarcotics expert at** the **Brookings** Institution in Washington. “Realistically, the border is as tight as could be and there have been few spillovers of the violence from Mexico into the U.S.,” she added, but **perceptions count in Washington “and can be easily distorted**.” “**Drugs** today **are not very important to the U.S. public over all,”** she added, “**but they are important to committed drug warriors who are politically powerful.”** Representative Michael T. **McCaul**, a Texas Republican who is **chair**man **of the Homeland Security Committee, has warned against** the danger of **drug cartels** forming **alliances with terrorist groups**. “While these threats exist, you would be surprised to find that the administration thinks its work here is done,” he wrote in an opinion article for Roll Call last month, pressing for more border controls in the bill. The Obama administration has said any evidence of such cooperation is very thin, but even without terrorist connections, **drug gangs pose threats to** peace and **security. Human rights advocates said they feared the U**nited **States would ease pressure on Mexico** to investigate disappearances and other abuses at the hands of the police and military, who have received substantial American support. The shift in approach “suggests that the Obama administration either doesn’t object to these abusive practices or is only willing to raise such concerns when it’s politically convenient,” said José Miguel Vivanco, director of Human Rights Watch’s Americas division. Still, administration officials have said there may have been an overemphasis on the bellicose language and high-profile hunts for cartel leaders while the real problem of lawlessness worsens. American antidrug aid is shifting more toward training police and shoring up judicial systems that have allowed criminals to kill with impunity in Mexico and Central America. United States officials said Mr. Obama remains well aware of the region’s problems with security, even as he is determined that they not overshadow the economic opportunities. It is clear Mr. Obama, whatever his words four years ago, now believes there has been too much security talk. In a speech to Mexican students on Friday, Mr. Obama urged people in the two countries to look beyond a one-dimensional focus on what he called real security concerns, saying it is “time for us to put the old mind-sets aside.” And he repeated the theme later in the day in Costa Rica, lamenting that **when it comes to the United States and Central America,** “so **much of the focus ends up being on security**.” “We also have to recognize that problems like narco-trafficking arise in part when a country is vulnerable because of poverty, because of institutions that are not working for the people, because young people don’t see a brighter future ahead,” Mr. Obama said in a news conference with Laura Chinchilla, the president of Costa Rica.

#### Immigration reform is key to the economy, competitiveness, and hegemony

Shapiro 3/27 --- president and CEO of the Consumer Electronics Association, the U.S. trade association representing more than 2,000 consumer electronics companies (Gary, “Tech Executives: Immigration Reform a Top Priority”, <http://www.forbes.com/sites/garyshapiro/2013/03/27/tech-executives-immigration-reform-a-top-priority/>, CMR)

Today I join hundreds of leaders in business, finance, technology and policymaking in Silicon Valley for the 2013 Global Technology Symposium. This year’s theme is “Entrepreneurship in the Global World,” a timely subject given the technology community’s leadership in supporting skilled-immigration reform, an issue intertwined with entrepreneurship and America’s standing in the global economy.¶ Entrepreneurship is a key component of “ninja innovation,” a term I coined to describe the principles we must embrace if we’re going to success in business, politics or our personal lives. I look forward to talking more about this important connection at the symposium tonight, but at the core of the discussion is a simple truth: More than being entrepreneurial individuals, we must foster a culture of entrepreneurship in America. That includes finding ways to attract and keep the world’s best and brightest innovators in America to develop products, launch companies, and create jobs.¶ CEOs from AT&T, Cisco, eBay, Facebook, Google, Intel and Yahoo! have led a steady drumbeat in Washington to reform America’s skilled-immigration system. They understand why reform is vital to our nation’s economic well-being.¶ It fuels job creation.¶ A recent study found that the average foreign-born student who graduates from a U.S. university and works in a STEM field – science, technology, engineering and mathematics – will create about 2.62 jobs for American workers.¶ Creating an immigration system that welcomes the world’s best and brightest is not only crucial to our nation but also to the San Jose-Sunnyvale-Santa Clara economy, home to thousands of STEM jobs. A 2011 Bureau of Labor Statistics report finds that STEM occupations accounted for at least 15 percent of total jobs in this area – that’s more than three times the percentage for the U.S. as a whole.¶ That’s why earlier this month, more than 100 executives from the technology sector and leading innovation advocacy organizations, including my organization, the Consumer Electronics Association (CEA)®, signed a letter to President Obama and Congress urging them to create a more open and flexible U.S. immigration system that embraces highly skilled workers.¶ Cisco Chairman and CEO John Chambers said it best, “America’s success has been based upon its ability to attract the best, brightest, and most ambitious individuals. Our country needs a modern immigration policy that further fosters this culture to help spur continued technological innovation and economic growth.”¶ The problem is clearest in the technology industry because of the incredible shortage of qualified workers. According to the Bureau of Labor Statistics, there are tens of thousands of unfilled jobs requiring highly skilled individuals in STEM fields. Among four top tech firms – IBM, Intel, Microsoft and Oracle – there are 10,000 jobs waiting to be filled.¶ Our outdated and inefficient immigration system is a huge contributor to the shortage. Many high-skilled, foreign-born workers want to come to or stay in America and create jobs here, but our restrictive visa laws send them home after they’ve trained in our universities. Silicon Valley has felt the pain of these policies through a drop in the number of startups founded by foreign-born immigrants. In the past seven years, immigrants founded 43.9 percent of startups, down from 52.4 percent in 2005. Pushing these individuals to the back of the immigration line creates an incentive for them to compete against us by working for other companies abroad.¶ Instead, we should implement reforms like the Immigration Innovation Act, which would nearly double the number of H-1B visas for high-skilled foreign workers.¶ Other measures, like the Start-Up Visa Act, introduced in the Senate, would also encourage innovation here in the U.S. while investing in education for those in STEM fields. These policy prescriptions were included in the tech leaders’ letter to President Obama and Congress as ways to start the debate and come to a compromise. But that doesn’t mean that if Congress and the President fail to enact them the technology industry will not surrender its fight for reform.¶ The Startup Act 3.0 would enhance America’s global competitiveness by encouraging more entrepreneurialism and halt the U.S. brain drain by creating a STEM visa program for up to 50,000 immigrants each year who graduate from U.S. institutions with a master’s or Ph.D. in STEM. It would also create an entrepreneur visa for up to 75,000 immigrant entrepreneurs who register a business, hire at least two non-family member employees, and invest in their business within one year of obtaining the visa.¶ These policy prescriptions were included in the tech leaders’ letter ways to start the debate and come to a compromise. If Congress and the President fail to enact them, the technology industry will keep fighting for reform.¶ After all, the understanding that strategic immigration is good for our economy is gaining traction among the broader public as well. A recent survey found that there is strong desire among likely voters to have an open and flexible immigration system that embraces highly skilled workers. It also found broad support for research and development programs and a stronger federal focus on STEM education. This may be because Americans are becoming increasingly worried that we are losing our global advantage. More Americans believe that the next major technological innovation will come from China (43 percent) rather than from America (30 percent).¶ With the support of most Americans and the bold leadership of tech industry executives, skilled immigration reform should be a no-brainer in Washington. Bipartisan reform is an important and remarkably easy way to help create jobs and innovation at home. We need to keep America in a position of global leadership, and reforming our country’s immigration law is the first step.

#### Collapse of US leadership causes great power war and extinction

Barnett 11 (Thomas P.M., Former Senior Strategic Researcher and Professor in the Warfare Analysis & Research Department, Center for Naval Warfare Studies, U.S. Naval War College American military geostrategist and Chief Analyst at Wikistrat., worked as the Assistant for Strategic Futures in the Office of Force Transformation in the Department of Defense, “The New Rules: Leadership Fatigue Puts U.S., and Globalization, at Crossroads,” March 7, CMR)

Events in Libya are a further reminder forAmericans that we stand at a crossroads in our continuing evolution as the world's sole full-service superpower. Unfortunately, we are increasingly seeking change without cost, and shirking from risk because we are tired of the responsibility. We don't know who we are anymore, and our president is a big part of that problem. Instead of leading us, he explains to us. Barack Obama would have us believe that he is practicing strategic patience. But many experts and ordinary citizens alike have concluded that he is actually beset by strategic incoherence -- in effect, a man overmatched by the job. It is worth first examining the larger picture: We live in a time of arguably the greatest structural change in the global order yet endured, with this historical moment's most amazing feature being its relative and absolute lack of mass violence. That is something to consider when Americans contemplate military intervention in Libya, because if we do take the step to prevent larger-scale killing by engaging in some killing of our own, we will not be adding to some fantastically imagined global death count stemming from the ongoing "megalomania" and "evil" of American "empire." We'll be engaging in the same sort of system-administering activity that has marked our stunningly successful stewardship of global order since World War II. Let me be more blunt: **As the guardian of globalization**, **the U.S. military has been the** greatest force for peace the world has ever known. **Had America been removed from the global dynamics that governed the 20th century**, the **mass murder never would have ended**. Indeed, it's entirely conceivable **there would now be** no identifiable human civilization left**, once** nuclear weapons **entered the killing equation.**  But **the world did not keep sliding down that path of perpetual war**. **Instead, America stepped up and changed everything by ushering in our now-**perpetual great-power peace. **We introduced the international liberal trade order known as** globalization and played loyal Leviathan over its spread. **What resulted was the collapse of empires,** an explosion of democracy, the persistent spread of human rights, the liberation of women, the doubling of life expectancy, a roughly 10-fold increase in adjusted global GDP **and a profound and persistent reduction in battle deaths from** state-based conflicts. That is what American "hubris" actually delivered. Please remember that the next time some TV pundit sells you the image of "unbridled" American military power as the cause of global disorder instead of its cure. With self-deprecation bordering on self-loathing, we now imagine a post-American world that is anything but. Just watch who scatters and who steps up as the Facebook revolutions erupt across the Arab world. While we might imagine ourselves the status quo power, we remain the world's most vigorously revisionist force. As for the sheer "evil" that is our military-industrial complex, again, let's examine what the world looked like before that establishment reared its ugly head. The last great period of global structural change was the first half of the 20th century, a period that saw a death toll of about 100 million across two world wars. That comes to an average of 2 million deaths a year in a world of approximately 2 billion souls. Today, with far more comprehensive worldwide reporting, researchers report an average of less than 100,000 battle deaths annually in a world fast approaching 7 billion people. Though admittedly crude, these **calculations suggest a 90 percent absolute drop and a** 99 percent **relative** drop in deaths due to war. We are clearly headed for a world order characterized by multipolarity, something the American-birthed system was designed to both encourage and accommodate. But given how things turned out the last time we collectively faced such a fluid structure, **we would do well to keep U.S. power, in all of its forms**, deeply embedded in the geometry to come. To continue the historical survey, after salvaging Western Europe from its half-century of civil war, the U.S. emerged as the progenitor of a new, far more just form of globalization -- one based on actual free trade rather than colonialism. America then successfully replicated globalization further in East Asia over the second half of the 20th century, setting the stage for the Pacific Century now unfolding.

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#### China pursuing influence in Mexico in response to US Asia pivot

The Economist 6/8/13 (“From pivot to twirl”, <http://www.economist.com/news/china/21579062-chinese-leader-tries-smooth-move-americas-backyard-pivot-twirl>, CMR)

LIKE a veteran salsa dancer, Xi Jinping, the Chinese president, has responded to the United States’s “pivot” to Asia with his own twirl south of the Rio Grande. A month after a re-elected Barack Obama paid calls on Costa Rica and Mexico, Mr Xi followed in his footsteps, visiting San José and Mexico City from June 2nd to 6th.¶ He spent the previous weekend in Trinidad and Tobago, arriving in America’s mare nostrum four days after Joe Biden, America’s vice-president. As a welcome, the 280-strong Chinese entourage was greeted with the sound of “Ah Feel to Party”, a calypso classic, and China further enhanced the mood by promising $3 billion in (unspecified) soft loans to the eight Caribbean heads of government who trailed through to meet Mr Xi. Mr Biden, by contrast, got an earful of complaints that America no longer cared about the region.¶ Ahead of his planned meeting with Mr Obama in Southern California, Mr Xi’s choice of destinations looked to some like an intriguing “shot across the bow” to America, possibly in response to Mr Obama’s courting of countries in China’s orbit, such as Myanmar. On this trip, his first to Latin America as president, Mr Xi did not visit Brazil, China’s biggest trading partner in the region, nor ideological allies Cuba and Venezuela. Instead, he chose two free-trade partners of America, one of which, Mexico, is so tightly bound to its northern neighbour that it sells to America in eight days what it sells to China in a year.¶ There was more than superpower politics in play, though. Costa Rica and Mexico are not the commodity exporters that China has tended to court. Mexico, in particular, is a rival low-cost manufacturer, raising the possibility that China, with its wages increasing and its distance from the United States hurting its competitiveness, may now be looking for export platforms to target America.¶ Mr Xi’s singling out of Mexico for special attention was his most surprising move. Last year Mexican academics complained that the bilateral relationship had reached its lowest point since diplomatic relations restarted in 1972, hit by tiffs over Mexican H1N1 flu in 2009 and a presidential audience with the exiled Tibetan leader, the Dalai Lama, in 2011. With government-to-government ties strained, finicky trade disputes all but closed the Chinese markets to Mexican goods such as tequila and pork. China’s investment in Mexico has been minute.

#### Unique link – China’s current economic strategy is allowing them to outpace US influence in Latin America – plan reverses that

Gallagher 6/18/13 – associate professor of international relations at Boston University (Kevin P, “Time for a U.S. Pivot to Latin America”, <http://www.theglobalist.com/storyid.aspx?storyid=10035>, CMR)

Increasingly, Latin American countries see China not as a rival but as a valuable trading partner. In fact, explains Kevin Gallagher, China has become a better partner in many ways than the United States. China is offering attractive deals to Latin American economies, while the United States continues to lecture and dictate. It's time for a real reset in U.S.-Latin American trade relations.¶ The Obama administration and U.S. media have made much ado about the U.S. "pivot" to Asia.¶ What has largely escaped their attention, however, is that China has been lining up economic allies in the erstwhile "backyard" of the United States.¶ Well, just as serious competition ought to awaken one's creative juices in business, it is time for the United States to step up a suitable economic policy for Latin America before it is too late.¶ The difference in approaches by the United States and China in Latin America were squarely brought into focus just in recent weeks when U.S. Vice President Joseph Biden and Chinese President Xi Jinping made tours of Latin America.¶ The United States principal offer to its Latin American neighbors is the Trans-Pacific Partnership. The TPP offers access to the U.S. market to Latin American and Asian nations on the basis of a triple form of conditionality.¶ First, they must deregulate their financial markets; second, adopt intellectual property provisions that give preferences to U.S. firms; and third, allow private U.S. firms to directly sue governments of countries that sign up to the TPP for violating any of its conditions.¶ Talk about a heavily conditioned offering. So what's the Chinese approach?¶ On his visit to the region, China's President Xi Jinping offered more than $5.3 billion in financing, with few conditions attached, to China's newfound Latin American friends.¶ These offers will need to be confirmed, but according to press reports the Chinese have signed deals on this trip for:¶ $3 billion in commitments to eight Caribbean countries for infrastructure and energy;¶ $1.3 billion to Costa Rica in loans and lines of credit, including a $900 million dollar loan from the Chinese Development Bank for upgrading a petroleum refinery and a $400 million dollar line of credit for road infrastructure from the Chinese Ex-Im Bank; and a¶ $1 billion credit line from the China Ex-Im bank to Mexico for its state-owned oil company PEMEX.¶ Making available this financing comes on top of the already $86 billion in financing provided by China to Latin American governments since 2003.¶ China offers Latin American countries what they want, while U.S. offers always come with strings attached.¶ Granted, that amount — large as it sounds — seems just like another number in today's world.¶ To put it into proper perspective, consider this:¶ Since 2003, thus over the past decade, China's policy banks have provided more finance to Latin America than their counterparts at the World Bank, the Inter-American Development Bank and the U.S. Export-Import Bank.¶ If anything ought to awaken the United States from its past slumber and taking Latin America essentially for granted, that comparison ought to do it.¶ Simply put, the United States and the array of largely Western-dominated international financial institutions have been outgunned by China's financial muscle. Welcome to the brave new world!¶ But it's not just a matter of sheer numbers. Unlike U.S. trade treaties or the finance from the international financial institutions largely under U.S. control, China offers up its loans come with few strings attached.

#### Internal link – US-Sino competition risks open conflict

Ellis 6/6/13 – associate professor with the William J. Perry Center for Hemispheric Defense Studies (R Evan, “China's New Backyard”, <http://www.foreignpolicy.com/articles/2013/06/06/china_s_new_backyard_latin_america?page=full>, CMR)

The challenge to Washington from China's presence in the region also extends beyond economics and policy objectives. The U.S. Defense Department's critical posture regarding Chinese cyberattacks is a reminder that hostilities between the United States and China, though highly improbable and undesirable, are not unthinkable. In such a conflict, China-operated ports, airports, telecommunications infrastructure, and other parts of the Chinese commercial presence in Latin America would represent potential assets in a global asymmetric warfare campaign against the United States.

#### Impact – US-China war causes extinction

Johnson 2 – president of the Japan Policy Research Institute, a tax-exempt nonprofit educational and research organization (Chalmers, Okinawa Between the United States and Japan, January, <http://www.jpri.org/publications/occasionalpapers/op24.html>, CMR)

China is another matter. **No sane figure** in the Pentagon **wants a war with China,** and all serious US militarists know that China’s minuscule nuclear capacity is not offensive but a deterrent against the overwhelming US power arrayed against it (twenty archaic Chinese warheads versus more than 7,000 US warheads). Taiwan, whose status constitutes the still incomplete last act of the Chinese civil war, remains the most dangerous place on earth. Much as the 1914 assassination of the Austrian crown prince in Sarajevo led to a war that no wanted, a misstep in Taiwan by any side could bring the **U**nited **S**tates **and China in**to **a conflict** that neither wants. Such a war **would bankrupt the U**nited **S**tates, deeply divide Japan **and probably end in a Chinese victory, given that China is the world’s most populous country and would be defending itself against a foreign aggressor.** More seriously, **it could easily escalate into a** nuclear holocaust. However, given the nationalistic challenge to China’s sovereignty of any Taiwanese attempt to declare its independence formally, forward-deployed US forces on China’s borders have virtually no deterrent effect.

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#### The 50 states and territories of the United States should fund substantial infrastructure improvements at Points of Entry along the United States – Mexico border.

#### States and localities could fund POE improvements – only minor changes at the federal level would be required

Wilson & Lee 2013  
(Erik Lee, Associate Director at the North American Center for Transborder Studies (NACTS) at Arizona State University, Christopher E. Wilson, Associate at the Mexico Institute of the Woodrow Wilson International Center for Scholars “THE STATE OF TRADE, COMPETITIVENESS AND ECONOMIC WELL-BEING INTHE U.S.-MEXICO BORDER REGION” The State of The Border report: A Comprehensive Analysis of the U.S.-Mexico Border Border Research Partnership May 2013 <http://www.wilsoncenter.org/sites/default/files/mexico_state_of_border.pdf>)

Given the fact that POE improvements offer significant and tangible monetary benefits to border communities and trade-dependent industries, state, local and private entities are often willing to contribute funding to border infrastructure projects. Under the current budgetary constraints, it makes sense for federal agencies to take full advantage of these alternative funding sources. Along the Texas-Mexico border, the majority of POEs are owned by the city or county in which they are located. This model for infrastructure investment could be expanded along other parts of the U.S.-Mexico border, but changes to current federal legislation appear to be necessary to allow CBP to “accept reimbursement from sources other than Congress.”17 As demonstrated above, additional staffing is and will be increasingly necessary as trade increases. With the active support of border stakeholders across the region, a proposal along these lines designed in collaboration with federal agencies could likely garner legislative support and could open significant opportunities for investment despite tough budgetary times.

### GSC Adv

#### 1.) Won’t Solve- Any single policy can’t solve supply chain inefficiency.

Hoekman, 2013 Bernard Hoekman is a Professor at the European University Institute, Florence Italy, where he directs the Research Programme on International Economics in the Robert Schuman Centre for Advanced Studies’ Global Governance Programme. “Global supply chains and trade agreements: beyond business as usual” June 11th, 2013 http://www.eastasiaforum.org/2013/06/11/global-supply-chains-and-trade-agreements-beyond-business-as-usual/

The current approaches pursued by governments arguably are not optimal because they focus on specific policy instruments independently. What is needed is concerted action on a number of policy fronts. One way of determining priority areas is to analyse how policies impact on the efficiency of international supply chains. These are an ever more prominent feature of global commerce, with goods being processed — and value being added — in multiple countries that are part of a given value chain. Looking at the world through a supply-chain lens can help to identify both where value is added and how policies affect costs. Supply-chain barriers can arise from any policy that obstructs the easy movement of goods from one stage in a supply chain to the next. Border delays, inconsistent and redundant regulation, poor transport and communications infrastructure, inefficient or low-quality services, restrictive local-content policies, corruption and theft can all impact on supply-chain costs.

#### **2.) Squo solves**

Ikenson 2008 Daniel Ikenson is associate director of Cato’s Center for Trade Policy Studies and coauthor of Antidumping Exposed: The Devilish Details of Unfair Trade Law While Doha Sleeps Securing Economic Growth through Trade Facilitation June 17, 2008 No. 3 <http://www.cato.org/sites/cato.org/files/pubs/pdf/tpa-037.pdf>

Over the last decade, nearly every country reduced its tariff barriers, and only 3 out of 136 countries experienced an increase in overall “trade restrictiveness.”69 During the period, all regions of the world experienced real growth in trade, and since the year 2000 developing countries’ trade growth rates have exceeded those of high-income countries.70 In light of the findings that trade facilitation reforms are probably more consequential than further tariff liberalization for many countries and that there is vast room for improvement in trade facilitation (as evidenced by the performance spread found in the “Trading Across Borders” and LPI surveys, for example), all countries should be moving forward—at least with relatively inexpensive reforms—without waiting for some multilateral agreement. Many countries are already doing so.¶ Without a Doha agreement, countries are already modernizing their customs procedures, investing in trade infrastructure, and adopting international best practices. According to Finger: Many developing countries have in place active programmes to improve trade facilitation—often financed from their own resources, and with contributions from their own businesses. [A recent OECD study] reports that a number of developing countries, including least developed countries, have “become champions of reform by introducing farreaching reforms” such as single window [one location for submitting administrative paperwork and addressing all compliance issues], risk management and¶ post-clearance audit. Senegal, Ghana, Mauritius and Mozambique are examples of countries that have today highly performing Customs and other border controls. Because improved facilities mean better business for local companies, reforms in developing countries are often driven and financed by local private/public partnerships.71 APEC members, which comprise both rich and developing countries, successfully met the 1994 goal of reducing trade transaction costs by 5 percent by 2006—and have decided to shoot for another 5 percent reduction by 2010—without any formal agreement. Trade is advancing without any near-term prospects for Doha. Trade facilitation measures are being implemented. Figure 2 provides a broad-stroke perspective on the breadth and depth of trade facilitation reforms implemented or progress recognized between 2005 and 2007. Although more countries reported increases in the costs of both container imports and exports, the number of countries reporting reductions in the number of documents and wait times over the two-year period far exceeds the handful of reporting increases. The fact that the costs of containers rose for most countries is probably attributable to factors beyond those countries’ control. An absolute increase in cost does not necessarily constitute a relative disadvantage if other countries’ costs rose too. But the improvements in factors most immediately within the control of each country—waiting time and red tape— reflect widespread reform efforts, according to the “Trading Across Borders” data. The LPI also suggests that trade facilitation reforms have been widespread and successful. Large percentages of respondents acknowledged “positive trends in developments” across countries on a wide variety of metrics. As Table 2 indicates, a majority of respondents reported that the availability of private sector services had improved in every region of the world, and a majority of respondents reported improvements in all six metrics for non-OECD Europe and Central Asia. In this highly competitive, increasingly interconnected global economy, companies are competing not only for markets but for investment and the opportunity to be part of the supply chain. Companies are less inclined to do business in jurisdictions where governments maintain policies that add roadblocks or unnecessary frictions to the flow of trade. And that deprives those countries of investment, jobs, and affordable consumer choices. There is no compelling reason to believe that the trend of more trade and growth will reverse or even slow in the absence of a successful Doha Round agreement. Demand is likely to continue to grow in recently emergent economies and as the world’s producers continue the transition to decentralized, transnational production processes to meet that growing demand. A recent World Bank study forecasts a threefold increase in global goods and services trade to $27 trillion by 2030.72To capitalize on that growth and to be a part of the huband-spoke global supply chain, countries will have to be nimble with respect to trade regulations and infrastructure. Not only is trade facilitation in the interests of all countries, it is an economic imperative for countries competing with China. In more ways than one, the emergence of China has played an important role in trade facilitation reforms in developing countries. There’s nothing like the existential threat of relentless competition to focus minds.

#### 3.) Global supply chain efficiency won’t work – a one-size fits all approach fails.

Ikenson 2008 Daniel Ikenson is associate director of Cato’s Center for Trade Policy Studies and coauthor of Antidumping Exposed: The Devilish Details of Unfair Trade Law While Doha Sleeps Securing Economic Growth through Trade Facilitation June 17, 2008 No. 3 http://www.cato.org/sites/cato.org/files/pubs/pdf/tpa-037.pdf

A report based on a 2006 APEC survey of the literature assessing the costs and benefits of trade facilitation measures under negotiation in the Doha Round found that “no, or very few, countries would lose from global trade facilitation and that developing countries have the most to gain from implementation of TFMs, although important variations can be expected across countries, sectors, and types of traders.”64 The fact that variations can be expected suggests that onesize-fits-all agreement to undertake particular reforms with the promise of funding from developed countries will encourage countries to adopt measures that will prove unnecessary or unsuccessful. Furthermore, according to the report: “Long-term savings greatly exceed the perceived implementation costs for all measures considered. However TFMs under consideration by the NGTF [Negotiating Group on Trade Facilitation] for possible inclusion in revised GATT articles V, VIII, and X should be selected carefully as overall cost implications for Governments differ significantly across measures, as does time needed for implementation in LDCs [least developed countries].”65 Likewise, the need to select reforms carefully because of cost implications suggests the need for customization, and not commoditization, of reforms. It makes more sense for countries to adopt reforms suited to their particular situations than to impose topdown, mandated, homogenous reforms. By having negotiations on trade facilitation on the Doha agenda, countries are less likely to treat reform as something that is primarily in their own interests. Instead, it will be subject to the same “mercantilization” that has halted progress in the other Doha negotiations. The tie-in of “capacity building” or “aid-for-trade” in the Doha negotiations, which requires rich countries to effectively pay developing countries to implement their reforms, reinforces the perception that the process is a quid-pro-quo and therefore endangers prospects for reform.

### TPP Adv

#### 1.) Process link – negotiations from the plan will bind the U.S. to regionalism, trading off with multilateral TPP

Villarreal and Fergusson 13 – Specialists in International Trade and Finance

M. Angeles and Ian F., “NAFTA at 20: Overview and Trade Effects”, Feb 21, <http://www.fas.org/sgp/crs/row/R42965.pdf>, CMR

Trans-Pacific Partnership (TPP) ¶ With the start of the Auckland Round in December 2012, Canada and Mexico began participating ¶ in the ongoing negotiations for a proposed TPP free trade agreement (FTA) among eleven ¶ countries in the Asia-Pacific region.84 The United States is an active participant in the ¶ negotiations and was among the first tranche of countries to join the original four members of the ¶ Trans-Pacific Strategic Economic Partnership (Brunei, Chile, New Zealand, and Singapore) to ¶ launch the TPP negotiations in the fall of 2008. With 26 negotiating groups and 29 chapters under ¶ discussion, the TPP partners envision the agreement to be “comprehensive and high-standard,” in ¶ that they seek to eliminate tariffs and non-tariff barriers to trade in goods, services, and ¶ agriculture, and to establish rules on a wide range of issues, including intellectual property rights, ¶ foreign direct investment and other economic activities. They also strive to create a “21st century ¶ agreement” that addresses new and cross-cutting issues presented by an increasingly globalized ¶ economy. ¶ While the United States has indicated that it is only negotiating bilateral market access in the TPP ¶ talks with countries with which it does not have FTAs—Brunei, Malaysia, New Zealand, and ¶ Vietnam—it has sought to go beyond current U.S. FTAs in its proposed rules chapters. This has ¶ become a point of contention in the talks and may become an issue for Canada and Mexico as ¶ well. The TPP may have implications for NAFTA in several areas, including intellectual property ¶ rights (IPR), investment, services, government procurement, as well as labor and environmental ¶ provisions. The related provisions in more recent free trade agreements that the United States has ¶ negotiated, such as those with Colombia, Panama, Peru, and South Korea, include commitments ¶ that go beyond NAFTA. If agreement is reached on a TPP, Canada and Mexico may have to ¶ adhere to stronger and more enforceable labor and environmental provisions, stronger IPR ¶ provisions, as well as some issues that were not addressed in detail in the NAFTA, such as ¶ disciplines on state-owned enterprises.

#### 2.) Perception alone triggers the link – plan signals the US isn’t committed, collapses the pivot

Japan Times 12 “Mr. Obama’s focus on Asia”, 11/24, <http://www.japantimes.co.jp/opinion/2012/11/24/editorials/mr-obamas-focus-on-asia/#.UdOYnvm1FiI>, CMR

Indeed, the critical question for the U.S. is the perception of its Asia policy. While the U.S. proclaims a new strategic focus on the region, the vast majority of these policies have been in place for over a decade.¶ The U.S. will continue to be deeply involved in Asian affairs. The U.S. leadership understands that its future vitality requires a deeper commitment to the region and a deeper appreciation of its value to the U.S.¶ But Mr. Obama fights an uphill battle — not because of actual constraints, but because of the perception that his resources are limited. Winning the public relations battle — the battle for Asian minds — is the real challenge for the U.S.

#### 3.) Plan drains Obama’s focus – agenda is finite

Pastor 13 – Professor and Director of the Center for North American Studies at American University (Robert A, “Speed Bumps, Potholes, and Roadblocks on the North American Superhighway”, Winter, Lexis, CMR)

Obama sought to warm the two bilateral relationships, but his agenda was so full - with two wars, a deep recession, and health insurance - that he could not devote the time or political capital to refashion the North American relationship. This is the political context that explains why the three governments failed to take any steps to flatten the speed bumps, fill the potholes, eliminate the roadblocks, tear down the walls, and stop extracting tolls in the absence of roads. Real integration stalled and went into reverse. The costs of doing business among the NAFTA countries increased.

#### 4.) Latin America policy drains diplomatic capital – crowds-out other issues

Rozental 10 – member of the Advisor board, president of Rozental & Asociados in Mexico City and senior fellow at the Brookings Institution (Andres, “What Do the U.S. Election Results Mean for Latin America?”, 11/8, <http://www.thedialogue.org/page.cfm?pageID=32&pubID=2505>, CMR)

A: Andrés Rozental, member of the Advisor board, president of Rozental & Asociados in Mexico City and senior fellow at the Brookings Institution: "The results of the U.S. congressional elections can only be sobering news for Latin America in general, and Mexico in particular. With a political and foreign policy agenda in Washington already crowded with issues unrelated to our region, it would appear that the hemisphere will slip even further down on the list of priorities for both the Obama administration and Congress. The change of control in the House probably means that even if he really wanted to move the immigration and gun control agenda forward, President Barack Obama won't have the political capital needed to counter newly elected right-wing Republicans and Tea Party representatives who generally oppose comprehensive immigration reform or any limitations on Second Amendment rights to buy and own all types of weapons, many of which find their way to the drug cartels in Mexico and beyond. Although some analysts have forecast an increased foreign policy interest by the White House after the Nov. 2 elections, any such change will most probably focus on Afghanistan, India-Pakistan relations, Iran and the Middle East peace process, not on the immediate neighborhood. Congress has already reduced the amount of assistance under Plan Mérida to Mexico, Central America and the Caribbean, which was meant to materialize the 'shared responsibility' that the United States has rhetorically assumed for the war on drugs since Obama was elected two years ago. Nothing on his or the immediate congressional agenda would indicate today that relations with Latin America might substantially change during the remaining biennium of his first term."

### Integration Adv

#### 1.) Regional cooperation high now – multiple indicators

WSJ 5/2/13 (“Statement: U.S., Mexico Stress Greater Cooperation”, <http://blogs.wsj.com/washwire/2013/05/02/statement-u-s-mexico-stress-greater-cooperation/>, CMR)

Economic Competitiveness¶ Underpinning our successful United States-Mexico economic relationship are trade and investment flows that support jobs in both countries. Bilateral trade was almost half a trillion dollars in 2012.¶ The two Presidents agreed on the need to continue forging a close and productive economic relationship to enhance their nations’ competitiveness and to create more trade and investment opportunities. With this purpose, they decided to establish a High Level Economic Dialogue, which will be chaired at the cabinet level and focus on promoting competitiveness, productivity and connectivity, fostering economic growth and innovation, and partnering for global leadership. The leaders intend for the first meeting of the Dialogue to take place later this year, include representatives from relevant agencies and departments from both governments, and engage with relevant stakeholders, notably the private sector.¶ The two leaders also discussed the importance of the United States and Mexico working together, and with their Canadian partners, to make North America the most dynamic and competitive region in the world. They agreed to seek a successful conclusion to a high-standard Trans-Pacific Partnership this year that includes 21st century provisions that significantly strengthen the North American Free Trade Agreement. They also reiterated their commitment to the resolution of specific trade issues between their countries, and their interest in maintaining close coordination with regards to other relevant trade negotiations.

#### 2.) Full integration impossible --- too many barriers

Economist 11 (“The push for deeper ties peters out”, Feb 24, <http://www.economist.com/node/18229546>, CMR)

WHEN Canada, Mexico and the United States implemented the North American Free-Trade Agreement (NAFTA) in 1994, it was hailed as a promising first step towards the deeper integration of the continent. Six years later Vicente Fox, then Mexico's president, called for a customs union, a common external tariff and free labour flows. And in 2005 the leaders of the three countries began a series of annual summits to push an ambitious “security and prosperity” agenda.¶ Since then the drive for integration has ground to a halt. The “three amigos”, as their leaders were once dubbed, could not find time to meet last year, and the session scheduled for February 26th has been cancelled. When Barack Obama and Stephen Harper, Canada's prime minister, announced on February 4th that they were exploring ways to harmonise regulations and co-ordinate security—plans that had previously been discussed trilaterally—they did not mention Mexico.¶ A North American version of the European Union was always a long shot. Having one giant dealing with two relative dwarves is unlikely to produce a deal acceptable to all parties. Moreover, North America lacked the historical impetus of the second world war, which gave European integration a sense of purpose.¶ Nonetheless, even the modest goals set in the years following NAFTA's passage have been blocked. One big reason is the September 11th attacks, which led the United States to redouble its border enforcement. Whereas in the 1990s Americans discussed eliminating border controls with Canada, earlier this month the United States Government Accountability Office reported that less than 1% of the country's northern border had an “acceptable level of security”. To the south, Mexico's raging drug war and stream of migrants make the prospect of relaxing controls there politically unthinkable. Mr Obama has struggled to fight off new restrictions, like Arizona's harsh state law on immigration.¶ America's lengthy recession also diminished the appeal of further trade liberalisation. NAFTA has always had its doubters in the Democratic Party, including Mr Obama when he was competing for its nomination. As a candidate, Mr Obama vowed to renegotiate the deal. Although he has not honoured that pledge—much to the relief of Mexico and Canada—the United States did cancel a programme allowing Mexican lorry drivers to work in America in 2009, in violation of its NAFTA obligations. Mexico retaliated with a series of tariffs aimed at the states of legislators who opposed the programme.¶ America is not the only country to blame. Because Mr Harper runs a minority government that could fall at any time, he has chiefly focused on short-term, voter-pleasing issues like cracking down on illegal immigration. Canada imposed new visa restrictions on Mexican visitors in 2009, angering the Mexican government.¶ And whereas Canadian companies once strongly backed regional integration, their focus has now shifted to Asia, turning their North American agenda almost entirely towards the United States. Mr Harper has followed suit: although he has talked of a hemispheric foreign policy and signed free-trade deals with Colombia, Panama and Peru, he is now working on aligning Canadian and American security measures and regulations.¶ Felipe Calderón, Mexico's president, has espoused a vision of North America as a union of complementary economies—with Canada providing the natural resources and Mexico the labour—that would compete with Asia. However, his efforts to liberalise Mexico's economy, including a plan to allow private investment in energy, have been defeated or watered down in Congress. It is hard to see how he can achieve continent-wide reforms.¶ The main obstacle to trilateral co-operation is that Canada and Mexico are much more interested in their relations with the United States than they are in each other. Until that changes, the next North American summit will probably prove just as difficult to schedule.

#### 3.) AND The plan causes a huge protectionist backlash

Field 12 (Alan M, “Will protectionist murmurs deter efforts to forge even closer economic integration”, July 5, <http://www.canadiansailings.ca/?p=4319#sthash.EBghHG0k.dpuf>, CMR)

Although current NAFTA provisions for labour are “archaic,” said Ms. Greenwood, she is encouraged by the progress the U.S. and Canada are making in their Beyond the Border initiatives. For his part, Dr. Pastor argues that such initiatives don’t get nearly far enough to use joint North American resources to solve the common problems of the continent. He proposes that the transportation ministers of Canada, the U.S. and Mexico should negotiate a North American Plan for Infrastructure and Transportation, to create new trade corridors that would extend from Canada all the way to south Mexico. **He added** that **leaders** of the three countries **should** also **eliminate their costly NAFTA ‘rules of origin**,’ – complex barriers to trade that he said were an “inefficient tax estimated at over $500 million per year.” The three countries should also establish a common external tariff whose revenues would fund a North American Investment Fund, whose main goal would be to fund infrastructure and transportation, added Pastor. Among other new institutions would be a lean North American Commission on Regulatory Convergence, which would “do research and provide options for the three governments to improve competitiveness and security in North America.”¶ No doubt, **such bold initiatives will strike many as being far too ambitious to attract widespread political support in** either Canada, **the U.S**. or Mexico. In each of these countries, **protectionist forces are** well-entrenched**,** and many oppose any initiative that would seem to cede too much power to foreign governments and international institutions. Nevertheless, the countries’ leaders may gradually be impelled to move at least part of the way toward such bold solutions as their economies becoming increasingly integrated – and yet equally challenged by competition from other regions of the world.

#### That will force Obama to bash NAFTA – turns case

O’Brien 8 (Dan, Senior Editor – Economic Intelligence Unit, “Our Vested Interest in a McCain Win”, Sunday Business Post, 11-2, <http://www.sbpost.ie/post/pages/p/story.aspx-qqqt=GUEST+WRITER-qqqs=commentandanalysis-qqqid=37213-qqqx=1.asp>, CMR)

#### Anti-globalisation sentiment is widespread in the Democratic Party, which has traditionally been less supportive of economic openness than the Republicans. The Democratic-controlled Congress has opposed free trade agreements and, since 2007, has refused the extension of presidential powers to negotiate trade deals without having for itself line-by-line veto power. This is one of the reasons why the Doha round of multilateral trade talks continues to languish.¶ As for Obama himself, he has not shied away from protectionist rhetoric during the campaign. But, in fairness, his bite is unlikely to match his bark. His economic advisers are mostly solid internationalists, and one of them, Austan Goolsbee, let slip earlier in the year that Obama would not act on his threats of economic nationalism if elected.¶ How could these factors come together and play out in relation to Ireland? By far the greatest threat is a change to the US corporation tax code. Many voices are now calling for US companies to be taxed on worldwide earnings in their home country.¶ If American companies located in Ireland were obliged to pay the US rate of 35 per cent, it would mean that, on top of the 12.5 per cent of their profits booked in Ireland, which go to the Department of Finance, an additional 22.5 per cent would go to the treasury in Washington DC.¶ US companies, which directly and indirectly employ one in ten people at work in Ireland, operate here for many reasons, but tax is undoubtedly of key importance. Data on output per worker in the sectors in which US companies dominate show that Irish workers produce more (often far more) than their counterparts elsewhere. There can be little doubt that this is attributable far less to the heroic toiling of Irish workers and far more to transfer pricing, which, put simply, is a method of inter-jurisdictional tax avoidance.¶ Obama has made noises about closing what many Americans consider to be a loophole. US businesses will lobby hard against this, arguing that it would put them at a competitive disadvantage. But as the US fiscal position weakens and as anti-business sentiment becomes shriller, making companies pay more tax in the US may be both necessary and popular.¶ If the US revamped its tax regime along those lines, it would fundamentally change the way American companies view their international operations in general, and their Irish operations in particular. Companies already in Ireland would be more likely to divest, and attracting new ones would be far more difficult.¶ Under a McCain presidency, the existing tax code would be safe, because he believes it is good for American companies and good for America. Reassuringly for Ireland, he even cited approvingly the country's low corporation tax rate in a TV debate with Obama.¶ On trade, the differences between the candidates are narrower. Philip Gordon, who was director for Europe at the national security council during the Clinton administration, is among the hot favourites to take responsibility for Europe at the state department under Obama. At a conference in Barcelona in June, he stressed Obama's commitment to bilateral trade links with Europe, and the importance of the multilateral trading system centred around the World Trade Organisation.¶ Pragmatic Republicans don't doubt the Obama commitments to avoid roll-back on trade. At a think-in of policy wonks and journalists in Slovakia two weeks ago, John Hulsman of the German Council on Foreign Relations, a hard-headed and worldly Republican, stated that, while Obama would not push for trade liberalisation, he was unlikely to go in the opposite direction.¶ But whether, against his better judgment, Obama will be able to resist moving in a protectionist direction is moot. Europeans rarely realise that their prime ministers are far more powerful domestically than American presidents are in the US. Where European parliaments have limited powers over the executive branch of government, the US Congress can make life impossible for presidents.¶ In order to get anything done, Obama will have to horse-trade with Congress. If demands for protectionism in the US rise, Congress will pander and even inflame. Legislators could call the president on his campaign promises, such as the renegotiation of the North American Free Trade Agreement. Obama may not be able to resist.

#### 4.) Tensions over the perceived militarization of the Mexican border is a thorn in the side of relations—more border work would push them away further

**Fauset 13,** Richard Fausset covers Mexico and Central America for the Los Angeles Times(Richard, "In Mexico, U.S. border 'surge' proposal stirs outcry" 6/25/13, LA Times, http://articles.latimes.com/2013/jun/25/world/la-fg-mexico-border-anger-20130626)//AD

MEXICO CITY — The U.S. Senate's proposal to spend $46 billion to help secure the country's southern border may or may not persuade skeptical colleagues in the House to support broader immigration reform. But the proposal is generating some serious grumbling in Mexico. "We are 'friends and neighbors,' as is repeated ad nauseam," Fernando Belaunzaran, a congressman with Mexico's left-wing Democratic Revolution Party, tweeted this week, "but the U.S. is about to militarize the border with Mexico as if we were at war." "Neighbors don't do this to each other," Univision news anchor Jorge Ramos wrote in the newspaper Reforma. On a national radio show, Lorenzo Meyer, a respected columnist and academic, suggested that Mexico retaliate by kicking out CIA and Defense Department officials who are collaborating with the government in the fight against drug cartels. Or perhaps, Meyer mused, Mexico could get back at the U.S. by refusing to accept any more American retirees. The proposed spending spree at the border — which supporters have labeled a "surge," after the 2007 U.S. troop increase in Iraq — was included as an amendment to a broader immigration bill that appears almost certain to pass in the Senate this week. The additional spending would add nearly 20,000 Border Patrol officers, roughly doubling the current force. It would also fund the completion of 700 miles of border fencing and 24-hour surveillance flights by drones. The Senate voted 67 to 27 on Monday to end debate on the amendment. Supporters are hoping that a lopsided approval of the immigration reform bill in the Senate will build momentum for the proposal as it heads to the House of Representatives. In the lower chamber, some conservative lawmakers do not want to support the bill's provision of a "path to citizenship" for unauthorized immigrants, particularly because they fear it will encourage more people to sneak in. But supporters of the surge are hoping to convince skeptical House members that slipping across the border will become far more difficult. The plan's American critics include immigrant rights advocates, budget hawks and civil libertarians wary of the expanded surveillance capabilities the Border Patrol would be granted. In Mexico, most of the complaints have come from the left, whose leaders have reiterated the long-held opinion here that U.S. border policy, with its walls, fences and armed border agents, is an insult to their nation. A number of critics also have taken aim at the government of President Enrique Peña Nieto for not speaking out more forcefully. "The passivity and negligence of his government is incomprehensible; it's as if this had nothing to do with him, as if this was not going to seriously affect millions of Mexicans," Ramos, the TV anchor, wrote in his column Sunday. Peña Nieto's team has chosen to hang back from the immigration debate north of the border, apparently out of fear that any cheerleading for the cause could be construed by American conservatives as unwarranted meddling. Former Mexican President Vicente Fox's efforts to persuade Americans to accept immigration reform in 2001 led to a substantial backlash. Fox's former foreign secretary, Jorge Castañeda, who helped lobby for a change in immigration law in 2001, said the Mexican government needed to speak out about the plan. "Mexico can't say nothing in the face of a reform that includes doubling the number of Border Patrol agents," he said in a radio interview Monday. "It strikes me as shameful." On Tuesday, Foreign Secretary Jose Antonio Meade delivered a measured statement in which he reiterated the government's contention that U.S. immigration reform would help millions of Mexican migrants. But fences, Meade said, "are not the solution to the phenomenon of migration, and aren't consistent with a modern and secure border. They don't contribute to the development of the competitive region that both countries seek to promote." The apprehension of Mexicans at the U.S. border has been trending dramatically downward since fiscal 2000, when 1.6 million Mexicans were detained. In fiscal 2012, the number was 262,000. It's likely that fewer Mexicans have been trying to cross in light of the sputtering U.S. economy, stricter border control and fear of Mexican criminals who prey on migrants. U.S. government statistics show that the number of non-Mexicans apprehended at the border, most of whom were Central Americans, also declined from fiscal 2005 to 2011. But the number doubled from 2011 to 2012, to 94,000, probably a result of rising violence and instability in several Central American countries. Maria Garcia, the president of the Mexico City-based Aztlan Binational Migrants Movement, said that increased border enforcement would force migrants to find even more dangerous and remote places to cross the border, putting their lives at greater risk. She also doubted that a more heavily fortified border would do much to scare off migrants seeking better wages. "Hunger is too strong," she said. "They'll keep risking their lives." But Alfredo Rodriguez, a 59-year-old hardware store clerk, said he could live with the border plan if the U.S. gave Mexicans more legal avenues for employment, such as temporary work visas. In any case, he said, the Americans were within their rights to beef up their security. "If you invade someone's property," he said, "obviously, there are going to be consequences."

#### 5.) No chance the plan solves – only trilateral cooperation with Canada can ensure successful integration

Pastor 12 – prof and director of the Center for North American Studies @ American

Robert A, Beyond the Continental Divide, July/August, <http://www.the-american-interest.com/article.cfm?piece=1269>, CMR

The problem is that our leaders do not think continentally. As long as they persist in focusing on bilateral or Asian relationships, they will be blind to the promise and the problems of North America. At base, today’s problems are the result of the three governments’ failure to govern the North American space for mutual benefit. Once they visualize “North America” and decide to approach their problems from a continental perspective, solutions will appear that were previously invisible. ¶ None of the many proposals that have been advanced for the region can be achieved without such a vision. Americans and Canadians will not contribute to a North American Investment Fund to narrow the development gap with Mexico without being convinced that Mexico’s growth will benefit their countries. There is little prospect of reaching an agreement on labor mobility, harmonizing environmental standards, forging a transportation plan, or most any proposal that would cost money or change the status quo unless there is a vision of a wider community that could attract the support of the people and their legislatures. The right vision can inspire the three nations to rethink North America and incorporate the idea into our consciousness and policies. We can be more than the sum of our three great countries, but only if we first see the possibility.

### Solvency

#### 1.) No Solvency – Mexico says no - the new Nieto administration in Mexico is less likely to cooperate with the US on security measures

O’Neil 4/29/13  
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Yet no less important for the two neighbors is security. Under Felipe Calderón’s administration, more than 70,000 Mexicans were killed and many more disappeared in violence related to drugs and organized crime. Regular crime, too, has risen, with 40 percent of Mexicans in a recent survey reporting that they or a family member had been a victim of a crime in the past year. This growing crisis opened the door to greater bilateral efforts. After years of cautious circling, U.S.-Mexico security cooperation — through the Mérida Initiative and other efforts — blossomed, setting the two neighbors on a different and more collaborative path. On this policy front, the direction Peña Nieto’s government plans to take is less clear. While repeatedly promising to reduce violence, the details of his administration’s security plan remain vague — suggesting more spending on prevention and social programs. Even the concrete shifts announced — for instance, creating a new federal gendarmerie — have been clouded by contradictory explanations and timelines. The efforts to recentralize the security apparatus by bringing the autonomous Federal Police back under the control of the Ministry of Interior still await the definition of basic reporting lines and the stamp of a finally confirmed executive secretary of the national public security system charged with coordinating security efforts (an area where the previous government struggled). Finally, the leaders of this side of Peña Nieto’s government — Osorio Chong, ex-governor of Hidalgo; Manuel Mondragón y Kalb, the deputy secretary of public safety and previously Mexico City’s top cop; and Jesús Murillo Karam, Mexico’s attorney general and also an ex-governor of Hidalgo — are less familiar to the United States, and some worry less open to working with their neighbor than their predecessors. To be fair, security is harder. After more than a decade of underperformance, most Mexicans agree on what needs to be done economically. In contrast, there is no ready security blueprint for the way forward, for what will work to make Mexico — and by extension the United States — safer. And the issues on which there is some consensus — cleaning up Mexico’s police forces and courts and expanding programs to help youths and communities at risk — were started under the Calderón administration, making it a tricky sell for a government trying to differentiate itself. For Obama, the challenge this week will be to push forward on both fronts, recognizing and embracing the economic ambitions while also ensuring that security cooperation doesn’t falter. What really matters is what happens after the visit and how the U.S. government works with all of these elements and directions in Peña Nieto’s Cabinet. Because the outcome matters — as no other country affects the United States on a day-to-day basis as much as Mexico.

#### 2.) Plan fails and will be rejected – internal reform is a pre-requisite to investment

Hufbauer & Scott ‘5

Reginald Jones Senior Fellow since ’92, was the Marcus

Wallenberg Professor of Int’l Finance Diplomacy @ Georgetown University, AND Jeffrey J, senior fellow, joined the Inst for Int’l Economic in ’83, visiting lecturer @ Princeton, “NAFTA Revisited: Achievements and Challenges”, page number below

To generate significant sums required for such investments, Mexico will need to attract both domestic and foreign funds. First, however, the Mexican government must pursue domestic economic reforms that generate substantial new revenues for the Mexican Treasury and create a more conducive policy environment for new investment. Only then should consideration be given to regional initiatives that pool contributions from the United States and Canada for Mexican infrastructure projects. Without prior domestic reforms, proposals to leverage foreign assistance to Mexico – including a North American Investment Fund – would likely be rejected out of hand. Indeed, it would be counterproductive to ask Washington and Ottawa to subsidize Mexican infrastructure investment unless the Mexican government is first willing to tap its own resources. [page 472-473]

#### 3.) Can’t solve delays - other sources

**Accenture, 08** global management consulting, technology services and outsourcing company, report commissioned by the DOC (March, commissioned by the Department of Commerce's International Trade Administration, “IMPROVING ECONOMIC OUTCOMES BY REDUCING BORDER DELAYS FACILITATING THE VITAL FLOW OF COMMERCIAL TRAFFIC ACROSS THE U.S.-MEXICO BORDER”, <http://shapleigh.org/system/reporting_document/file/487/DRAFT_Reducing_Border_Delays_Findings_and_Options_vFinal_03252008.pdf> )

The complex international trade process reaches its climax at our nation’s POEs, requiring the highly coordinated effort of a diverse set of public and private sector stakeholders. Therefore, it is important to view delays in that context and use a measure of total wait time that captures the border crossing system as a whole. Total wait time is defined as the time elapsed from entering the line in Mexico leading to Mexican export inspection through exit from U.S. inspection facilities, including any U.S. state-conducted inspections. Importantly, **this definition of border crossing wait time captures the fact that processing time at U.S. primary is not the driver of wait time; instead, delays are due several factors, including many outside U.S. federal control.** This represents an expansion of traditional wait time metrics and raises the focus from a processing time level to a more comprehensive system view. The importing community has long sought a well-constructed wait time metric. This construction, or one similar, is proposed as the national standard to account for system-wide border crossing wait time.

#### 4.) No Solvency: improving cross-border trade isn’t sufficient – problems related to the drug trade will undermine cooperation

Walser 2013   
Ray Walser, Senior Policy Analyst specializing in Latin America at The Heritage Foundation “Obama in Mexico: Change the Reality, Not the Conversation” 5/1/13 <http://blog.heritage.org/2013/05/01/obama-in-mexico-change-the-reality-not-the-conversation/>

Of course there is much value in an opportunities-oriented approach to U.S.–Mexico relations. The two countries have unique ties based on patterns of trade, investment, integrated manufacturing, and the movement of peoples. Both nations should continue to deepen this relationship by focusing on everything from trade, global competitiveness, and modernizing and securing our shared 2,000-mile border in ways that advance economic freedom and improve educational quality and energy development. Yet addressing hard, seemingly intractable issues related to the illicit traffic in drugs, people, guns, and money moving with relative ease across the U.S.–Mexico border remains a major challenge for both leaders. The Obama Administration has done little to reduce drug demand in the U.S. Consumption of marijuana is on the rise among teens. There is legal confusion in Washington following passage of legalization measures in Colorado and Washington. Resource reductions for drug interdiction and treatment are built into the fiscal crisis. Prior objectives for drug prevention and treatment established by the Obama Administration have not been met, according to the Government Accountability Office. Meanwhile, cash and guns flow south largely unchecked into Mexico. Cooperation with Mexico may be scaled back or waning as U.S. officials are excluded from intelligence fusion centers the U.S. helped to set up. A new emphasis on citizen security may take the law enforcement heat of trafficking kingpins, who will likely attempt to move drugs across Mexico with less violence and greater efficiency as Mexican law enforcement focuses on the most violent criminal elements.

#### 5.) Interdependence means cooperation is inevitable – economic growth slays the case

Epatko, 12 [Larisa, PBS News Hour, U.S. and Mexico: Ties That Bind, <http://www.pbs.org/newshour/rundown/2012/06/us-mexico-ties.html>]

"There's probably no other country in the world that's as intertwined with the United States. Our economies are intertwined; [Mexico is now the second destination for U.S. exports and the third largest trading partner overall](http://www.ustr.gov/countries-regions/americas/mexico)," said [Shannon O'Neil](http://www.cfr.org/experts/brazil-mexico-argentina/shannon-k-oneil/b12553), fellow for Latin American studies at the Council on Foreign Relations.¶ The U.S. automotive, food, and computer and electronics industries depend on Mexican consumers, said O'Neil. "For 21 out of 50 states, Mexico is the No. 1 or No. 2 destination for their exports," she said. "And it's not just the states on the border that have huge trade with Mexico, but as far away as New Hampshire, Vermont, Michigan and Indiana."¶ Mexico also is a friendly source of oil, O'Neil noted. It's the United States' third largest supplier behind Canada and Saudi Arabia, according to the U.S. Energy Information Administration.¶ "So keeping our lights on and our cars going depend today much on Mexico," she said.¶ Since the two countries share a border, they also share the problems and responsibilities of regulating the environment, preventing drug trafficking and maintaining security.¶ Every president of Mexico has had a different take on U.S. relations, but all of the top contenders in the current race have indicated they will work with the United States, said O'Neil.¶ The economy in Mexico is recovering faster than the United States. Helping transform Mexico's economy is a [growing middle class](http://www.wilsoncenter.org/sites/default/files/Mexico%20A%20Middle%20Class%20Society.pdf)**,** she said. View a chart of GDP growth in both countries:¶ Source: [World Bank](http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG)¶ "Thirty-plus years ago, Mexico was a commodity-driven, oil-driven, inward-looking economy," said O'Neil. "Today it is a manufacturing and services-based economy, export-led with a focus on the U.S. market and that is fundamentally different than just a few decades ago."¶ Partly because of Mexico's economic growth, [immigration between the two countries has slowed to a net zero last year](http://www.pewhispanic.org/2012/04/23/net-migration-from-mexico-falls-to-zero-and-perhaps-less/).The slowdown also can be attributed to a demographic shift in Mexico in the last several years, O'Neil said. "There are fewer Mexicans turning 18 and looking for jobs than there were in the past. And more and more Mexicans are staying in school longer and investing in their future and investing in their skills. So they're not leaving the country. They're not thinking about going abroad at 15 or 16 anymore, they're staying in school."¶ Mexico is becoming an increasingly urban society as well, said O'Neil. "So the old days of a campesino (peasant) wearing a sombrero riding a burro -- it's a reality for a few Mexicans now, but very few. It's a more urban society. And that's a total transformation from back in the '50s or '60s."¶ Helping drive the current conditions is a transformed government. "There are still problems with corruption, accountability and transparency -- in particular at the state level," she said. "But it also is a democracy. They're about to have elections that almost everywhere in the world people think are going to be free and fair. And that's something new."